

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> Debtors. ¹	PROMESA Title III Case No. 17 BK 3283-LTS (Jointly Administered)
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In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of PUERTO RICO ELECTRIC POWER AUTHORITY, Debtor.	PROMESA Title III Case No. 17 BK 4780-LTS
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**ORDER AUTHORIZING PREPA TO ASSUME
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL
REAL PROPERTY PURSUANT TO BANKRUPTCY CODE SECTION 365**

¹ The Debtors in the jointly-administered Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS).

Upon *PREPA's First Omnibus Motion for Entry of an Order Authoring PREPA to Assume Certain Unexpired Leases of Nonresidential Real Property Pursuant to Bankruptcy Code Section 365* (the "Motion");² and the Court having found it has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Oversight Board, as representative of PREPA, having approved the assumption of the Real Property Leases; PREPA having made an unequivocal statement of its intent to assume the Real Property Leases prior to the expiration of the deadline to assume or reject nonresidential real property leases under 11 U.S.C. § 365(d)(4), and thus PREPA may assume each of the Real Property Leases notwithstanding the passage of such deadline; and the Court having found that the assumption of the Real Property Leases represents a sound exercise of PREPA's business judgment and that the relief requested in the Motion is in the best interests of PREPA, its creditors, and other parties in interest; and the Court having found that the Debtor has provided adequate assurance of future performance in accordance with the requirements of Section 365(b)(1) of the Bankruptcy Code; and the Court having found that PREPA provided adequate and appropriate notice of the Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

THEREFORE, IT IS HEREBY ORDERED THAT:

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

1. The Motion is **GRANTED** as set forth herein.
2. Pursuant to section 365 of the Bankruptcy Code, made applicable in this Title III Case pursuant to PROMESA section 301(a), PREPA is authorized to assume the Real Property Leases and the Real Property Leases shall be deemed assumed upon entry of this Order.
3. Promptly following the entry of this Order, PREPA shall remit to each of the lessors associated with the Real Property Leases the cure costs identified on Exhibit B to the Motion, subject to the reconciliation of prior payments, and the assumption of the Real Property Leases shall not result in a breach or violation of, or default under, the Real Property Leases.
4. Nothing herein is intended to, shall constitute, or shall be deemed to constitute PREPA's or the Oversight Board's consent, pursuant to PROMESA section 305, to this Court's interference with (a) any of the political or governmental powers of PREPA, (b) any of the property or revenues of PREPA, or (c) the use or enjoyment of PREPA of any income-producing property.
5. Notwithstanding any applicability of any Bankruptcy Rule, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. PREPA and the Oversight Board, as PREPA's representative, are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this order in accordance with the Motion.
7. The Court shall retain exclusive jurisdiction to hear and determine any and all disputes related to or arising from the implementation, interpretation and enforcement of this Order.

Dated: January 29, 2018

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge

Exhibit B

Unexpired Leases of Nonresidential Real Property to be Assumed by PREPA

PREPA Real Property Leases

Name of Lease Counterparty	Contract Number (if any)	Property Address	Effective Date of Lease	Expiration Date of Lease	Approximate Annual Rent Obligation	Security Deposit Held by Landlord (if any)	Proposed Cure Amount (if any)¹
Carolina Shopping Court, Inc.	2014-P00058	PR #3, Bo. Hoyo Mulas, Carolina	11/5/13	5/31/19	\$174,510.00	None	\$169,230.84
Municipality of Dorado	2017-P00081	Pabellon Rafael Hernandez Colon, Calle Mendez Vigo, Dorado	2/24/17	2/23/22	\$34,512.00	None	\$11,504.00

¹ The amounts listed in this column represent outstanding rent obligations for each Real Property Lease as of January 9, 2018 and are subject to modification based on reconciliation of prior payments.